

BOX FOR LIVING BUSINESS STRATEGY 7CS COMPASS MODEL ANALYSIS AND THE IMPLEMENTATION OF BUSINESS MODEL CANVAS

Meliesa Florentin Gunawan and Leo Aldianto
School of Business and Management
Institut Teknologi Bandung, Indonesia
meliesa.f@sbm-itb.ac.id

Abstract– This research aims to find the root cause of the company with 7Cs Compass Model Analysis combined with IFAS, EFAS, and Fishbone Diagram. The solution in this research is using TOWS Matrix to find the effective strategies for Box For Living, the strategies are : focus to develop their brand image, focus about container modification product, the research and how to deliver the knowledge to public, sharpening the diversification strategy and harmonize the development of special products and their diversification product. The implementation of those strategies in Business Model Canvas can describe every aspect of company's business model block and the whole mechanism of Box For Living business process.

Keywords : Container Modification, Building Design Consultation and Construction, 7Cs Compass Model, Business Model Canvas, Diversification Strategy.

1. Introduction

A. Background of Box For Living

Box For Living is a new construction company that specialize in recycling and modifying container for living or any purpose. It is established since the beginning of 2012. Box For Living introduce a product of container house or building with a new concept, also provide a differentiation in design on the container modification. The modification design, room circulation concept and consider what kind of facilities that will fit to the function, also the completeness in infrastructures to accomodate the needs, make this steel container more comfort to live with.

The company started their work of research and marketing plan from January to June 2012. Most of the plans and activities are fixed, but some need to be improved. From July until now, Box For Living is focusing in Direct Promotion from Business to Business. So far, the company have a good response from some customer, it has been asked for its product knowledge, design consultation and quotation for some product.

Table 1. Business Time Schedule 2012 of Box For Living

2012														
No	Activities	January	February	March	April	Mei	June	July	August	September	October	November	December	Remark
Production														
1	Research for pricing and the production activities from other company													
2	Research for material													
3	Find Building Material													
4	Find Container Supplier													
Design														
5	Design Product Type													
6	Standard for Temperament Office and Living													Done
7	Design Sample Product Type													Done
8	Cafe and Outlet: Booth													Done
9	Miniature													Done
10	Website concept													
Marketing														
11	Design Branding													Done
12	Portfolio - Brochure													Done
13	Name Card													
14	Create Facebook and Twitter Page for company profile													Done
15	Web Design													Done
16	www.Boxforliving.net													Done
17	Direct Promotien													Continually
Sales														
18	Introduction the product - internet													Yearly
19	Introduction the product - personal													

B. The Idea

Coming from “the ideas”, the founders of Box for Living offer the advantages that Modified Containers currently have and adds them up with innovative and cutting edge technology in container modification and design to make the phrase “living in a box” means “living with style and comfort”. Those ideas are :

The Unimaginative Conventional Look

The recycled container as a building in Indonesia tent to be a shelter box, office or warehouse on the project and mining fields, and also have characteristic of mobile building. Small amounts of container building that used for cafe, shops, display window box, are designed with a standard concept.



Figure 1. Conventional Modification of Container House

The Needs

The increasing needs of quick residential and office establishments in new and developing areas like mining or other activities that needs temporary living and working quarters, nowadays leads to many innovations. Insulated Modified Container is the best solution for the problem. It is cheap, simple, and provides a decent sheltering capability that allows people to live and work comfortably in sites with harsh condition like the jungle or even the desert.

The Real Solution to Social and Ecological Problems

The used shipping containers take up a lot of space and represent a potential source of pollution. Right now, interest in container homes is growing because it can represent a real environment solution.

The Opportunity to be The First in Indonesia

Box For Living would be the first in Indonesia that introduce a modification container in a new concept in architectural. So the final product would have the art value, fully-functional, relatively inexpensive and extremely green accommodations.

C. Organizational Structure of Box For Living

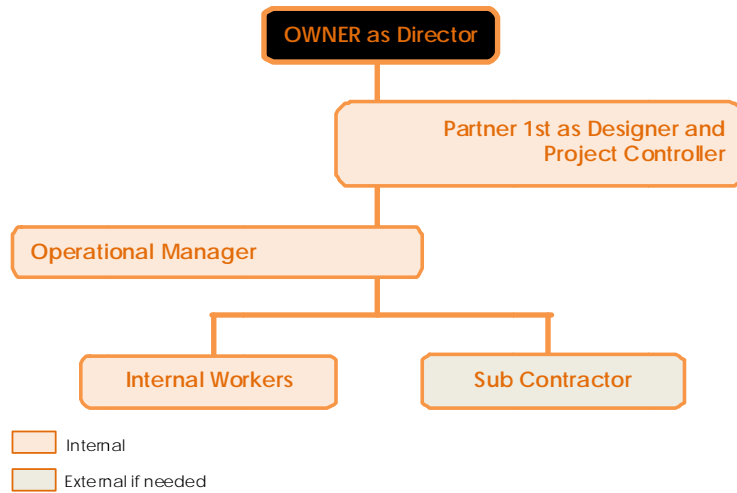


Figure 2. Organizational Structure of Box For Living

Business Process

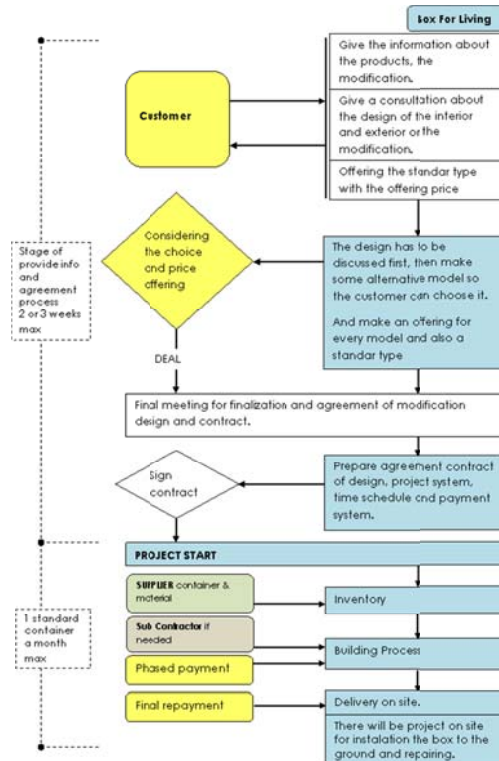


Figure 3. Business Process of Box For Living

The required time for the project basicly 3 to 6 months for standard type order that is about 3 or 7 containers or probably takes more time, depend on the contract, how many containers are ordered, and how the payment system.

The Product



Figure 4. Standard Type of Container Modification

Figure 4 is the example of standard type, modified container models based on function that influenced the concept design of the container.



Figure 5. Fully Conceptual Container Modification

Figure 5 is the fully modified type from the form of the box for the opener and the facade, and conceptual texture and colour for the container.

The Workshop Location of Box For Living

Currently, the owner set the workshop location at *Jalan Lodan Raya No. 12 Ancol, Jakarta Utara*.



Figure 6. Location of Box For Living Workshop

(a) The distance between harbour and site of Box For Living's workshop is very strategic. (b) The site is easy to be reached by supplier. (c) The infrastructures in the area of workshop are in good condition so this would be easy to reached by container trucks. (d) The site is near from the worker's house, so the project will be easy to controlled.

The Business Condition of Box For Living

(a) Box For Living is still in the development stage where they keep elaborate the idea and concept for new alternative design for the special product. (b) The company also have some project in design and construction of house and building. (c) The whole business such as promotion, concepthor, design control are controlled by the owner. (d) The whole concept design, design and drafting are the partner's responsibility and also controlled by the owner. (e)Box For Living is focusing also in Direct Promotion from Business to Business.

D. Business Issues

Globalisation in Industry

(a) Advancement of information : people can easily get the information about the product from around the world with better quality and lower price. (b) Trading globalization. Thus the competition in industry is becoming more rapid, rigorous, and fair. The impact for Box For Living that make the development progress move slow are : (a) Some competitors are from China because the manufactures in that countries are very popular with the cost-effective for labor, the lower price of

material, and they also have the distributor in Indonesia. (b) Box For Living founds difficulties to make their website popular.

Local Competitors

The competitors that already established and well-known, they produce a conventional modification container with low price but provide a ready standard model container house.

Brand Awareness

The lack of time in maintain the web, so there is no improvement on website visibility in search engines.

Different Type of Orders



Figure 7. Pondok Bambu House Jakarta

The impact from the unparalleled product line change the image of Box For Living brand and its special product. The objective to be a company that specialize in container modification become increasingly challenged. While the staff focus with the current project, that is conventional building design and construction, the promotion for special product is undermined.

2. Business Issue Exploration

A. Conceptual Framework

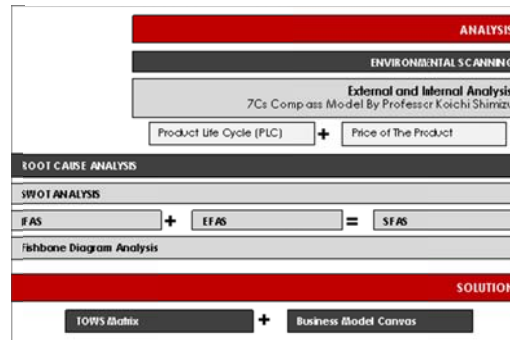


Figure 8. Analysis Conceptual Framework

B. Environmental scanning

The scanning method is a Framework of 7Cs Compass Model, Prof. Koichi Shimizu (2009).

1. Corporation	
The core of the company. The competitors analysis.	
Marketing Mix Customer – Focused 4Cs	
2. Commodity	The product that is offered by the company to their consumer.
3. Cost	The total marketing cost. How much the cost to present the product to customer.
4. Channel	Where is the company sells the products and to whom.
5. Communication	About the marketing communication, how to communicates with customer.
6. Consumer	
Analyse the consumer background with compass model: Needs, Wants, Security, Education	
7. Circumstances	
External Environment Analysis with compass model: National and International, Weather, Social and Cultural, Economic	

Figure 9. The Grouping of 7Cs Elements

C. Box For Living – 7Cs Compass Model

Corporation and Competitor

a. Corporation

Basically, Box For Living is created from the idea. The owner and partners want to design, build and sell a container modification, and of course this is not an usual modification.

Vision– Be an expert in Architecture and a special company in this business with a unique character in design of container modification building.

Mission– Provide the functional modern design of container modification building. Be more innovative and creative in design. Make benefit for company.

Objective : (a) Focus on the productivity in operation system of modification process (b) Innovation and creativity. (c) Always in a good presentation and visual. (d) Publicize the improved service structure. (e) Develop markets within 2 years. (f) Focus for about 3 years on going, to identify which is the best wholesale from those product sales for the next 3 years, to be more focusing the market and sharpening the needs, concept idea and be more functional for the category. (g) Be more selective in beneficial vendor.

Business Condition Overview : (a) The promotion, concepor, design control are controlled by the owner. (b) The crew are architects and engineers, together they build this company. (c) They put themselves as a design consultant and a construction company, not yet produce modification container. (d) Company promote the container modification to public in B to C, but they are focusing in Direct Promotion from B to B. (e) Company gets revenue from conventional building design projects.


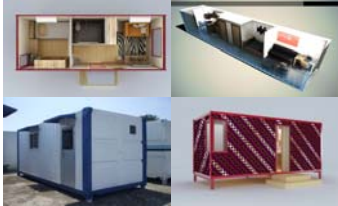




b. Competitor

Producers of Standard Modification Container : (a) Produce a standard model of modification container. (b) They usually have backgrounds in construction, entrepreneur and real estate investment. (c) They dominate the mining and construction companies.

Architecture Firms– In Indonesia not many designer use container as a medium for designed and modified, it is still rare to find a building or house made by recycled container. That is why it still depends on how customers reaction about something unusual, their opinion and their knowledge and taste about architecture.

Commodity

Table 2. The Service and Product of Box For Living

NUM.	SERVICE OR PRODUCT	EXAMPLE IMAGE
1	Container Modification : Fully modified container 20' and 40' for any function. Built in style and artistic for the interior and exterior, and also functional based on client request and their needs.	
2	Standard Container : Design and modify the container 20' and 40' for portable camps for office, living room or in any kind of function based on client request. The company also give an offer to design the interior makes it comfort living room.	
3	Design Consultation : Beside the container modification design, the company also offering the design consultation for house, short building, and landscape.	
4	Technical Drawing : Available for drafting the technical drawing.	
5	Construction : The company also have the crew worker and provide a service in house or short building construction, so Box For Living can build their clients house and easily control it based on design.	
6	Box For Living services related to container modification also include Delivery, Installments, and Maintenance for specified time to ensure customer satisfaction in purchasing the products.	

a. Product Life Cycle

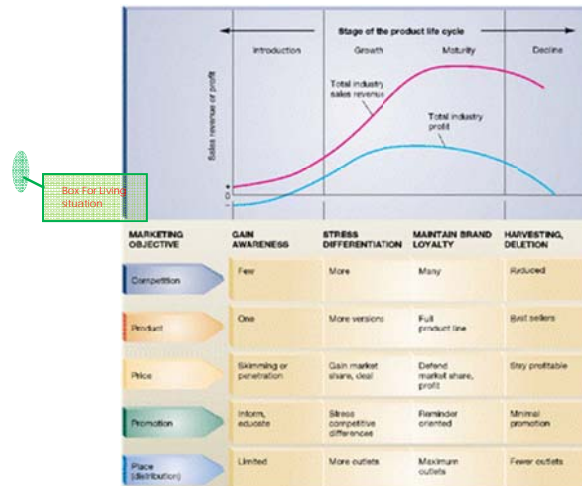


Figure 10. Sales and Profit of The Life Cycle Curves and The Strategies in Marketing

Based by Philip Kotler in Marketing Management An Asian Perspective, Box For Living is in between Introduction Stage and Growth Stage. The firm uses several strategies to keep introduce the product and also to sustain rapid market growth : (a) Inform potential customer and focus on buyers who are the most ready to buy. (b) Improves quality, adds new features, and improve styling. (c) Enter new market segments. (d) Increase publicity. (e) Box for Living set low prices for building consultant and construction of products.

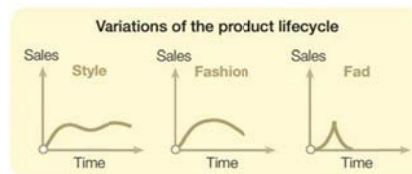


Figure 11. The Categories of Product Life Cycle : Style, Fashion and Fad

Figure 11 shows three special categories of product life cycle : (a) Styles– basic distinctive mode of expression appearing in a field of human endeavor and last for generations, and go in and out vogue. (b)Fashions– currently accepted and pass through distinctiveness, emulation, mass-fashion, and decline. (c) Fads– fashions come quickly into public, decline fast because not satisfy a strong need. Architecture business is in a Style Category of product life cycle.

b. Price of A Product



Figure 12. Price – Promotion Diagram



Figure 13. Price – Quality Diagram

There are two ways in New Product Pricing Strategies : (a) Marketing-Skimming Pricing: Set high price for product to skim maximum revenue from the segments that willing to pay the high price; the company make fewer but more profitable sales. (b) Marketing-Penetration Pricing : Set a low initial price for their innovative new products when they enter the market. Figures 12 and 13, the company (yellow dot) focus in **Marketing – Penetration Pricing**, the company set the low price for product and the medium level for the promotion so the company's brand can easily be known. **The Product Quality**, with the low set-up price for each product, they provide the medium product quality with the good value strategy. The company will earn the trust of customers and this will be easy to develop the company's brand.

Table 3 is a Standard Container Modification price and also the specification of the standard container modification. This lists has been set-up from 2012.

Table 3. Standard Modification Container Price Estimation

Standard Modification			
Price Estimation			
Type	Standard	Fully Furnished	
20'	Rp 47.000.000	Rp	68.000.000
40'	Rp 75.000.000	Rp	95.000.000

Table 4. Specification for The Type 40' and 20' of Standard Modification Container and Pricing for Other Service

General Specification 40'		General Specification 20'	
No.	Spec	No.	Spec
1	Container	1	Container
2	Fixed Wall / Ceiling	2	Fixed Wall / Ceiling
3	Floor	3	Floor
4	Door	4	Door
5	Window	5	Window
6	Electrical Installation	6	Electrical Installation
7	Painted	7	Painted
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
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Information		Information	
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2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1 container	
2 fixed wall / ceiling		2 fixed wall / ceiling	
3 floor		3 floor	
4 door		4 door	
5 window		5 window	
6 electrical installation		6 electrical installation	
7 painted		7 painted	
Information		Information	
1 container		1	

Cost

Table 5. The Cost in Year 2012 and 2013

2012				
Operational	Activities	Cost per month	Cost per year	Remarks
Marketing & Sales	Company Proposal	Rp. 20.000	Rp. 240.000	These activities are regularly every month in year 2012.
	Meeting	Rp. 20.000	Rp. 240.000	
	Transportation	Rp. 200.000	Rp. 2.400.000	
	Mock-Up		Rp. 4.500.000	These additional activities are planned in year 2012 and may be changed in the next year depend on the company regulation for promotion.
	Brochure		Rp. 3.200.000	
	Poster		Rp. 500.000	
	Drafter		Rp. 2.000.000	
Total Cost 2012			Rp. 10.630.000	
2013				
Operational	Activities	Cost per month	Cost per year	Remarks
Marketing & Sales	Company Proposal	Rp. 250.000	Rp. 3.000.000	Rebuild the promotion in 8 to 10 per month.
	Meeting	Rp. 100.000	Rp. 1.200.000	
	Transportation	Rp. 300.000	Rp. 3.600.000	
	Brochure		Rp. 2.000.000	These additional activities for year 2013.
	Poster		Rp. 500.000	
Total Cost 2013			Rp. 10.300.000	

Table 5 shows that total cost of the company in Marketing and Sales activities in 2012 is Rp.10.630.000,- and in 2013 is Rp.10.300.000,- . The total cost is divided into two main activities. (a) Regular activities that has been set up monthly for the program and also for the cost. (b) Additional activities are planned and scheduled per year. This is important to develop the company's brand and the market opportunity, so it has been set up annually for the program and cost.

Channel

Figure 6 shows the workshop at Jalan Lodan Raya No. 12 Ancol, Jakarta Utara. The owner and partners have so many activities outside the office, they can do their job mobile, the design activities usually done in their home as studio, and they usually meeting in client's house or office.

Communication



Figure 14. The Logo Concept of Box For Living

Figure 14 is their basic design concept and their unique product of container modification to public.



Figure 15. The Motto and The Logo of Box For Living

Change the way people think with their motto "Think Outside, Live Inside". Advertising and Promotion : (a) Currently, the direct promotion for B to B with brochure, proposal or project tender. (b) For B to C, the company use the online website.

Consumer

The factors related to the customers in four directions.

- **Needs** : Box For Living provides the needs of shelter, home or a living space which is comfort and secure. Their main priority in design is to fulfill consumers basic needs that the building can be functional and strong. And also considered the increasing needs of quick residential and office establishments in new and developing areas, construction project site, mining, poor areas or natural disaster areas. The container modification, customer can get fast deliver and efficient house or space.
- **Wants** in economics are related to goods or services that are not necessary but that we desire or wish for. Box For Living determine there are three segments for their product and service based on customer wants.



Figure 16. The Segmentation Based on Consumer Wants

From Figure 16 (a) companies level is the biggest market for the demand of a standard container modification. However, this market is dominated by many competitors. (b) Creative industry, for example retail industry that need a container for their outlet or mini shop with a unique design. The company have a big opportunity to show their quality in design and it can boost up the brand. (c) The individual segment is a personal wants for services in design consultation and construction. Here, Box For Living introduce their concept of container modification and their modern design.

- **Security** : Considering the standard of safety building, for example first thing the building is in the safety environment, they have to make sure the land is save from erosion and the structure that is fit for the building. They also have to consider about the legality of the building and construction permit, and also the health issue, for example use the safety material and construction for building, such as paint, etc.
- **Education** : Box For Living in promotion activities, they give the information and knowledge to their customer about the company, their services and the products, especially container modification. They also provide additional information to support their design concepts, such as their style in design that is related to architectural concept, recycle container and global warming issue that is related to their special product that is container modification.

Circumstances

This is the uncontrollable external environmental factors that encircling the companies.

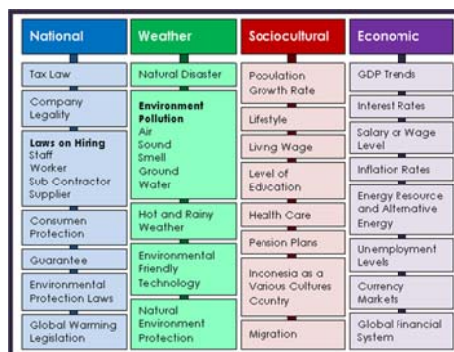


Figure 17. National, Weather, Sociocultural and Economic

- **National Circumstances** : This is become the most influential to the company's strategy is economic policies, which directly related to the economic growth. And also the legality is the issue of company, at this time they does not have the company legality.
- **Weather** : The company can do little but try to predict and adjust the project plans. But company can avoid the disasters caused by human such as the environment pollution.
- **Social and Cultural Circumstances**: (a) Motivation wage and lifestyle. (b) Learning capacity and education level. (c) Population and migration. (d) Capacity for flexible adaptation.
- **Economic Circumstances**: (a) Economic growth. (b) Financial circumstances and wage level. (c) Energy resource and development of the technology to use alternative energy.

D. Root Cause Analysis

SWOT Analysis

Table 6 is the summary of group brainstorming in Box For Living, they are the owner, a partner as a designer and a project manager. These are relevant factors, determined by 7Cs Compass Model analysis.

Table 6. The External Factors and Internal Factors

External Factors	Opportunities	<ul style="list-style-type: none"> • The Needs of quick residential and office building. • The increases in the number of construction companies. • The first in Indonesia with unique concept in container modification. • The real solution to social and ecological problems, because the increasing level of interest in container home.
	Threats	<ul style="list-style-type: none"> • The existing competitor with standard container modification. • Another Architecture Firm. • The increasing price of construction material and labour. • New comers with same product.
Internal Factors	Strengths	<ul style="list-style-type: none"> • Variety of Product and Service. • R & D to update the creativity in modern design and produce unique concept. • Have a creative team of designer. • Experience team of worker on site. • Good recommendation about the quality of Box For Living's product and service in conventional building. • Reliable suppliers because it is cheap, ready stock and there is a bonuses for purchasing.
	Weakness	<ul style="list-style-type: none"> • The price for container modification on standard type is higher than competitor. • Brand Direction, because lack promotion of special product and different type of order in Box For Living. • Box For Living does not have the company legality. • Lack of Administration system in company. Currently the owner and partner control all the activities except the project activities.

- IFAS (Internal Factors Analysis Summary)

IFAS is implemented by listing the most important strengths and weaknesses facing a business entity, and *the weight scores* are from Box For Living group brainstorming, and *the rating* is determined by the owner. Weighting (W) each factor from 1.0 (most important) to 0.0 (not important), Rating (R) each factor from 5.0 (outstanding) to 1.0 based on the entity's response to that factor, as depicted in Table 7.

Table 7. The Internal Factors Analysis Summary

Internal Strategic Factors	W	R	WS	Comments
Strengths				
Variety of Product and Service	0,14	4	0,56	Modern container modification and consultant design for conventional house and building.
R&D	0,12	5	0,6	Updated design and concept. Modern edgy design.
Creative design team	0,15	5	0,75	The owner and partners.
The capable staff	0,07	4	0,28	Experience project staff.
Good recommendation	0,1	4	0,4	Based on client's opinion of the service.
Reliable suppliers	0,05	4	0,2	Cheap, ready stock, delivery on time, and bonuses.
Weaknesses				
Pricing for standard type container modification	0,02	4	0,08	Comparison with competitor's price and consider the product quality.
Brand Direction	0,2	2	0,4	3. Lack of promotion of special product. 4. Different type of order in Box For Living (conventional house and building).
Company Legality	0,12	1	0,12	At this time the owner still focusing on project progress.
Lack of administration system	0,03	3	0,09	Currently the owner and partner control all the activities.
Scoring	1		3,48	

- EFAS (External Factors Analysis Summary)

EFAS is implemented by listing the most important opportunities and threats facing a business entity, and *the weight scores* are from Box For Living's group brainstorming.

Table 8. The External Factors Analysis Summary

External Strategic Factors	W	R	WS	Comments
Opportunities				
The needs	0,11	2	0,22	The quick needs of residential houses or building.
				Affordable, functional and healthy house.
Higher construction companies every year	0,1	4	0,4	Based on BPS Indonesia.
				Check the Appendix D.
The first in Indonesia	0,2	4	0,8	Bring the unique concept in container modification.
Solution to social and ecological problem.	0,1	2	0,2	Recycling shipping container.
Threats				
The competitor of standard container modification	0,1	3	0,3	Lack of promoting in focusing the special product.
Another architecture firm	0,2	4	0,8	Box For Living tend to be an Architecture Consultant firm with their current business progress.
The increasing price of material and labour	0,1	2	0,2	Cost of Production and Operational.
New comers	0,09	2	0,18	With same service and low price.
Scoring	1		2,9	

- SFAS (Strategic Factors Analysis Summary)

Table 9, select the most important strengths and weaknesses from IFAS, and also select the most important opportunities and treats from EFAS.

Table 9. The Strategic Factors Analysis Summary

Strategic Factors		W	R	WS	Short	Intermediate	Long	Comments
Strengths	Variety of Product and Service	0,12	4	0,48	x			3. Modern container modification. 4. Conventional house and building design and construction.
	R&D	0,12	5	0,6		x		Updated design and concept. Modern edgy design.
	Creative team design	0,13	5	0,65		x		The owner and partners.
Weaknesses	Brand Direction	0,13	2	0,26	x			<ul style="list-style-type: none"> •Lack of promotion of special product. •Different type of order in Box For Living (conventional house and building)
	Company Legality	0,12	1	0,12	x			At this time the owner still focusing on project progress.
Opportunities	Higher construction companies every year	0,1	4	0,4		x		Based on BPS Indonesia.
	The first in Indonesia	0,1	4	0,4			x	Check the Appendix D. Bring the unique concept in container modification.
Threats	The competitor of standard container modification	0,2	4	0,8		x		Lack of promoting in focusing the special product.
	Another architecture firm	0,1	4	0,4			x	Box For Living tend to be an Architecture Consultant firm with their current business progress.
Scoring		1		4,11				

Fishbone Diagram

The causes for company's Fishbone Diagram determined from group brainstorming based with the result of Internal and External Factors Analysis, as well as SFAS. This is important to corroborate the root cause of company's business systems.

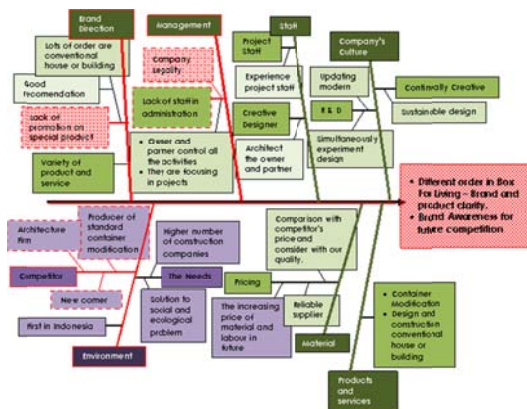


Figure 18. Fishbone Diagram of Box For Living

E. Root Cause Outline

- Gap between brand and the products and service.
 - **Lack of promotion** on the company's special product.
 - Box For Living brand is known as a specialist modern container modification, but in reality the company have many orders in design a conventional house.
- Lack of **brand awareness** will be a problem in the future competition.
- **Problem in management** : Company legality and lack of staff in administration.

3. Business Solution

A. The Solution

From the analysis of Competitor, Consumer and Commodity before, the company provides two different offerings for the two types of markets.

B to B : Government, Private Company, Non-Profit Company.

B to C : Individual.

And the solution is how the company delivers the value to customer. The writer use TOWS Matrix to generate strategies and some of those strategies will be elaborated in Business Model Canvas to describe the two different strategies in approaching the two types of markets, B to B and B to C.

B. TOWS Matrix

Table 9. Box For Living TOWS Matrix Analysis

IFAI (Internal Factors Analysis Summary)	
STRENGTHS	WEAKNESSES
1. Variety of Product and Service in Box For Living	1. High pricing for standard type of container modification
2. R & D	2. Brand Direction
3. Creative team design	3. Company legality
4. The capable staff	4. Lack of administrative system
5. Good Recommendation	
6. Reliable suppliers	
OPPORTUNITIES	THREATS
1. The needs	1. The competitor of standard container modification
2. The fast in industry	2. Another architecture firm
3. Solution to social and ecological problems	3. The increasing price of material and labor
4. Higher construction companies every year	4. New Compete
S-O Strategies	W-O Strategies
S1-O1 & S1-O4 : Provide the variety product and services to meet the customer needs, such as design and construction for building container standard modification	W2-O1 : In promoting the special product, bring the message to social and ecological problem
S1-O2 : Full design of container modification	W2-O2 : Participate in Architecture Competition, bring unique design in building and special product
S1-O3 : Gather information in design and budget calculation	W2-O3 & W2-O4 : Participate in architecture and art events
S1-O4 : Focus on the quality of design and services	W2-O5 : Be member of as (as)PMP Architect Indonesia
S1-O5 : Adapting Indonesian ethnic culture for get value in same design	W2-O6 : Hire a staff to upgrade and supporting
S1-O6 : Join environmental community	W2-O7 : Sustainable building for future
S1-O7 : Be the first company in Indonesia with container	W2-O8 : Maintenance service and warranty for the product
S1-O8 : Full testimonial of the customer on website and company portfolio	W2-O9 : Company legality
S1-O9 & S1-O10 : Build a good communication to supplier, workers and clients	W2-O10 & W2-O11 : Justify the variety products and services, such as product container modification
S1-O11 : Build the knowledge about environmental technology	W2-O12 : Focus in planning to special design concept
S1-O12 : Make the prototype of container	W2-O13 : Construction service for building or house
S-T Strategies	W-T Strategies
S1-T1 : Justify Box For Living products	W2-T1 & W2-T2 : Build the unique design and support to make easily
S1-T2 : Concentrate several diversification strategies for their building construction and construction	W2-T3 : Supply important material
S1-T3 & S1-T4 : Focus on the strength of business concept	W2-T4 : Create special product
S1-T5 : Make initial step in box for living design	W2-T5 : Build a connection with other
S1-T6 : Make economic and efficient strategy on operational	W2-T6 : Prepare the legality
S1-T7 : Focus on the R&D to the container modification	W2-T7 & W2-T8 : Participate in the program of nature disaster, such as
	W2-T9 : Build the temporary or emergency building with container modification
	W2-T10 : Social or ecology event, technology for housing program

S1-O1 & S1-O4 ; W2-O1 & W2-O4; S1-T1; S1-T2 Strategies : diversification strategy (answering Number 1 of Root Cause). **S1-O3; S5-O1; S5-O3; W2-O2; W2-O3; W2-O3 & W2-O4; W1-O1; W2-T1; W2-T1 & W2-T2 Strategies** : promotion to develop their brand awareness (answering Number 2 of Root Cause). **W3-O1; W3-O4; W3-T4** : company legality (answering Number 3 of Root Cause). **S2-O1; S2-O3; S3-O1; W1-O3; S2-T4; S3-T4; W2-T2 & W2-T4** : research and development activities of Box For Living in making the products more reliable and unique in design. **S1-T1 & S2-T2; S4-T3; W1-T3** : effectiveness operational of company. **W1-O1** : hire staff considered not important for now.

C. Business Model Canvas

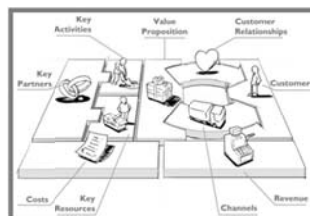











Figure 20. Business Model Canvas

The general strategies from the TOWS Matrix, are implemented in the Business Model Canvas to describe every aspect of Business Model, especially their *Diversification Strategy* in Value Proposition, Customer and the Customer Relationship. The writer use Business Model Canvas because the Business Model Canvas is the architecture form of the value creation, delivery, and captures mechanisms employed by the business enterprise (**Appendix A**). Considering : (a) Box For

Living have two types of value proposition as the core aspect in this business, because they have the capability in providing these values to two different segments in this business. (b) The company have to focus in how they deliver their product to these markets, B to B and B to C. Determine two types of strategies in how they build the relationships and the channels. (c) And the company have to focus in the whole mechanism of Box For Living in making the quality product that will be the value to the customer.

Table 10. The 9 Building Blocks of Business Model Canvas

Building Blocks	Descriptions	
	Customer Segments : To build an effective business model, a company must identify which customers it tries to serve. It can be one or several Customer Segments.	CuS
	Value Proposition or Offering : The collection of products and services a business offers to meet the needs of its customers. It is what distinguishes itself from its competitors.	VP
	Channels : Deliver the value proposition to its targeted customers through different channels. Effective channels will distribute the product in ways that are fast, efficient and cost effective.	CH
	Customer Relationships : Established and maintained with each Customer Segment. Identify the type of relationship they want to create with their customer segments.	CR
	Revenue Streams : The result from value propositions successfully offered to customers. Identify the ways to generate a revenue stream.	RS
	Key Resources : The resources create value for the customer. They are considered an asset, which are needed in order to sustain and support the business.	KR
	Key Activities : The most important activities in executing a company's value proposition. Identify the important activities in the business.	KA
	Key Partnership : Some activities are outsourced and some resources are acquired outside the enterprise. This is important to optimize operations and reduce risks of a business model.	KP
	Cost Structure : The business model elements result in the cost structure. There are classes of business structures and characteristics of cost structure.	CoS

Customer Segment (CuS)

There are different types of CuS, **Mass Market** : There is no specific segmentation for a company that follows the Mass Market. **Niche Market** : CuS based on specialized needs its clients. **Segmented** : There is additional segmentation within existing CuS. The business may further distinguish its clients based on gender, age, and/or income. **Diversify** : It serves multiple CuS with different needs and characteristics. **Multi-Sided Market** : For a smooth day to day business operation, some companies will serve mutually dependent CuS.

From the TOWS Matrix, to continue growing the special product and strengthen the business strategies, the firm may have to diversify into different industries. The two basic diversification strategies are concentric (related business) and conglomerate (unrelated business).

Diversification concentric strategy with offering a different service that is still related to construction business, can corroborate the clarity in Box For Living's product variety.

Table 11. Box For Living's Segmentation






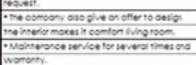
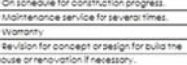
The Group of Buyer	B to S	B to C
	Private Company Government Non-profit company	Individual
The Segmentation of Consumer	Demographic	
	Types of Companies	Age
	Construction, Mining, Developer, Entertainment, Culinary, Education, Finance, Sport, Non-profit, Farm, Travel	1 month - 11 year, 12-19, 20-34, 35-49, 50-64, 65+
	Number of Employee	Family Size or Group Size
	210-21, 20-90, 80-100, 180+	1-2, 3-4, 5+
		Gender
		Male, Female
	Employee's Position	Occupation
	Professionals, managers, executives, and businesspeople; craftspeople; forepersons; operatives; farmers; retired students; homemakers; unemployed	Professionals, managers, executives, and businesspeople; craftspeople; forepersons; operatives; farmers; retired students; homemakers; unemployed
	Employee's Education	Education
	None, elementary education, secondary education, diploma level, undergraduate, postgraduate	None, elementary education, secondary education, diploma level, undergraduate, postgraduate
	Annual Income	Annual Income
	Rp. 100.000.000 - Rp. 180.000.000 - 200.000.000 Rp. 30.000.000 - 800.000.000; 600.000.000 +	Rp. 100.000.000, + Rp. 110.000.000
	Nationality	Nationality
	Chinese, Indian, Indonesian, Japanese, Malaysian, Nepali, Korean, Vietnamese, Singaporean, Thai, other	Chinese, Indian, Indonesian, Japanese, Malaysian, Nepali, Korean, Vietnamese, Singaporean, Thai, other
		Social Class
		Lower/over, upper/overs, working class, middle class, upper, middle, lower/upper, upper/upper
	Psychographic	
	Life Style	Life Style
	Functionality, prioritize efficiency, economic, outdoor-oriented, modern, minimalist, art, architectural, industrial, family, productive	Functionality, prioritize efficiency, economic, outdoor-oriented, modern, minimalist, art, architectural, industrial, family, productive

Table 12. Box For Living's Targeting

The Group of Buyer	B to S	B to C
	Private Company Government Non-profit company	Individual
The Targeting Market	Demographic	
	Types of Companies	Age
	Construction, Mining, Developer and Entertainment	30-49 dan 50-64
	Number of Employee	Family Size or Group Size
	210-21 and 50-100	1-2, 3-4, 5+
		Gender
		Male, Female
	Employee's Position	Occupation
	Professionals, managers, executives, and businesspeople; craftspeople; forepersons; operatives	Professionals, managers, executives, and businesspeople
	Employee's Education	Education
	Undergraduate dan postgraduate	Diploma level, undergraduate, postgraduate
	Annual Income	Annual Income
	Rp. 110.000.000 - 200.000.000 Rp. 300.000.000 - 800.000.000	Rp. 100.000.000 until more than Rp. 100.000.000
	Nationality	Nationality
	Indonesian, Chinese, Korean	Indonesian, Chinese and Korean
		Social Class
		Working class, middle class, upper, middle, lower/upper, upper/upper
	Psychographic	
	Life Style	Life Style
	Functionality, prioritize efficiency, economic, architectural, industrial, family, productive	Outdoor-oriented, modern, minimalist, art, architectural, industrial, family

Value Proposition (VP)

Table 13. Box For Living's Value Proposition

The Group of Buyer	B to B	B to C
	Private Company Government Non-profit company	Individual
The Offering or Value Proposition	Container Architectural Modification ex. Cafe bar and outlet  <ul style="list-style-type: none"> It could be mixed with another container or conventional building. Turn modified container 20' and 40' for any function. Built in place and architectural for the form. Artistic and conformable with the concept design for the interior and exterior. Functional based on client request and their needs. 	Container Architectural Modification ex. Container houses 
	Design Consultation and Construction ex. Store building  <ul style="list-style-type: none"> Architectural concept design for building or house based on client's request. Functional based on client's request and their needs. Artistic and conformable with the concept design for the interior and exterior. Several times of consultation design and two times design review in extension service. Estimation Design for client. Excellent service in construction process, on schedule, and reliable. Maintenance service for several times and warranty. 	Design Consultation and Construction ex. House 
	Container Standard Modification ex. Mining or project camp and office  <ul style="list-style-type: none"> Design and modify the container 20' and 40' for portable camps for office, living room or in any kind of function based on client request. The company also give an offer to design the interior makes it comfort living room. Maintenance service for several times and warranty. 	Design and Estimation Service ex. House <ul style="list-style-type: none"> Consultation and design service only without construction service. On schedule for consultation and revision. Reliable concept and estimation.
	Construction Service ex. Build house or renovation  <ul style="list-style-type: none"> Construction service only. Reliable staff and worker. On schedule for construction progress. Maintenance service for several times. Warranty. 	Construction Service ex. Build house or renovation  <ul style="list-style-type: none"> Revision for concept or design for build the house or renovation if necessary.

Another form of Box For Living's VP is introduction related to the global issue – *Environmental Sustainability*. It refers to the use of business practices in designs, construction methods and project management to reduce a company's impact upon the natural, physical environment. For example apply the green house building concept in their projects, such as building design and construction. Box For Living have to deliver something different than any other company. (a) Minimize impact on the environment with Energy-Efficient Building Design and Construction Practices that will benefit the clients and generations. (b) Related to container modification the firm can use the product as the message of green house concept with deliver the quality craftsmanship using renewable, sustainable materials. (c) Building which they designed offer an attractive alternative to construction system while promoting a healthier environment for the clients, (d) also keep the clients fully informed throughout the entire design and construction process, firmly establishing relationships of mutual trust.

Channel (Ch)

From the Figure 14, Channel is about the time, the series of processes in construction activities from beginning to end. The firm has to consider about the detail of activities in two phases, consultation phase and construction phase. At the same time work schedule will be settled, to corroborate the strategy in project activities and the overall business activities, also minimize errors in consultation and construction process and can avoid of losses.

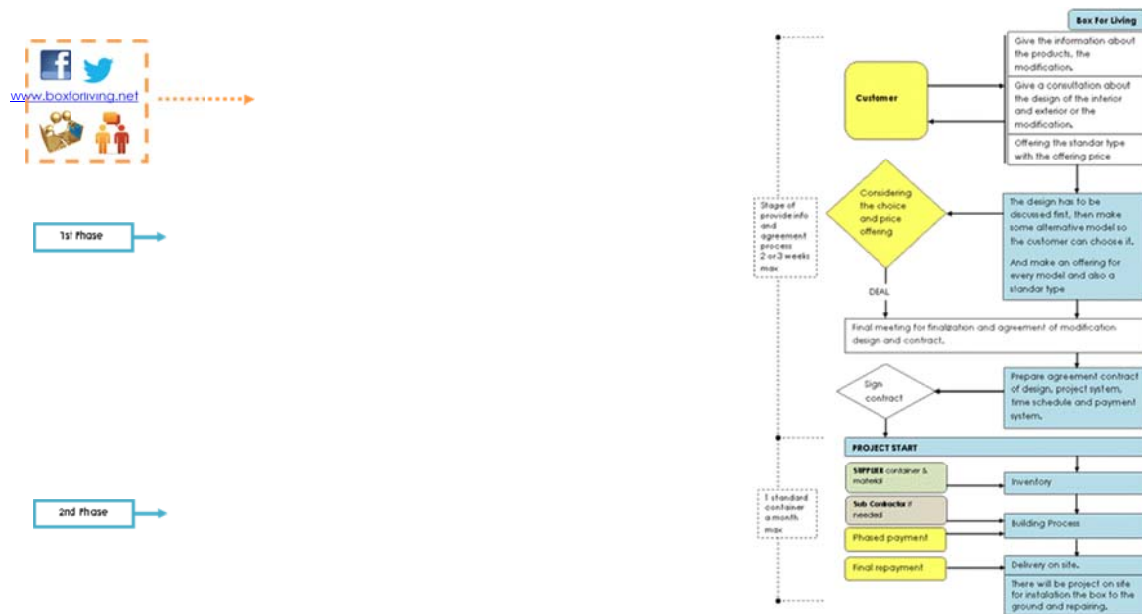


Figure 21. Box For Living's Channel Process

Customer Relationship (CR)

CR is to ensure the survival and success of any businesses, companies must identify the type of relationship they want to create with their CuS. Based on TOWS Matrix Strategies in corroborate the strategies and creating the successful long – term growth, the company must also adequately communicate the value embodied by these products and services to the target market and sustain it.

• Customer Relationship Strategies

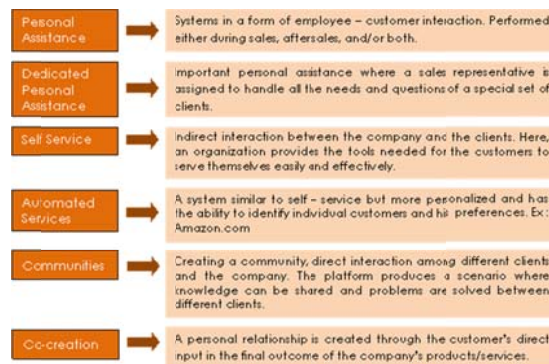


Figure 22. Forms of Customer Relationships

The strategies in CR :

- Co-creation and Communities through company's web www.boxforliving.net, architecture and 3d community : (a) Testimonial, comments, and contact form, (b) Always update the design concept for every project, prototype design concept.
- Use Automated Services to increase the awareness, for example Facebook, twitter and 88db.com.
- Build the mass communication programs consisting advertising, sales promotion, events, and public relations : (a) First join architectural events and community in Indonesia : IAI (*Ikatan Arsitek Indonesia*). (b) Join competitions : *Sayembara IAI, Jakarta Architecture Triennale, Theme : Sayembara Visioning Jakarta*.

- Marketing Communication Concept



Figure 23. Box For Living's Marketing Concept

The Figure 23 shows that there are two target customers in this business, therefore there are two ways of communication for Box For Living to communicate their value proposition.

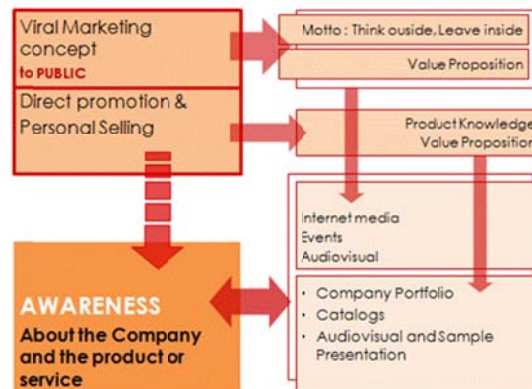


Figure 24. Box For Living's Marketing Communication

B to B is how Box For Living promote their value to certain market, for example mining companies, developer, or entertainment company.

To communicate and deliver their product knowledge, the information about company and their value, they have to use direct promotion and personal selling. They have to make a good presentation that is simple and clear in company portfolio and their catalogs, using also audiovisual presentation for sample and company portfolio.

Another market is B to C, the target market are individual or even public. Here, Box For Living have to deliver the message through their motto "Think Outside, Live Inside" and connect it with another VP that the company have. This could be the competitive advantages for company in using their strength to grab the opportunities.

Revenue Stream (RS)

The firm could generate one or more RS and each RS may have different pricing mechanisms. However, due to confidentiality, the company's financial data is unable to be disclosed.



Figure 25. Box For Living's Revenue Stream

Key Resources (KR)

The KR describes the most important assets required to make a business model work. It can be physical, financial, intellectual, or human.



Figure 26. Box For Living's Key Resources

Key Activities (KA)

The main key activities of an architect and contractor beside to give an excellent service to client, they have to minimize the error in every detail activities to avoid loss, such as : (1) Promotion, especially the presentation, (2) Design consultation process, agreement clarity and budgeting, (3) The agreement with supplier, related to schedule and stock system, (4) Construction process : managing the on site worker, payment system, schedule and project controlling, (5) Client's payment system.

Key Partnerships (KP)

KP is the network of suppliers and partners that help this business run.



Figure 27. Box For Living's Key Partnerships

Cost Structure (CoS)

For construction business, Box For Living already prepare for their financing programs. Box For Living's cost structures can be divided into *Fixed Cost* and *Variable Cost* as follow.

- Fixed Cost

Fixed costs are expenses that have to be paid by an entity, independent of any business activity. It is one of the two components of the total cost of a good or service, along with variable cost.

The most significant fixed costs that have been set by company are :

Web Development Cost

- Develop the design of boxforliving.net
- Input material that is new creation
- Built and maintain the community
- Join design community website to introduce Box For Living

Advertising Cost

- Determination of monthly expenditure for marketing activities, such as : number of portfolio printing, catalogs, brochures and posters.
 - Operational cost for meeting and presentation per-month.
 - Determined the budget for architectural events and colloquium per year.
- Office and Warehouse
- Electrical
 - Water
 - Maintenance Service
 - Internet

- Variable Cost

Variable costs are those costs that vary depending on an entity's production volume; they rise as production increases and fall as production decreases. Variable costs differ from fixed costs such as rent, advertising, insurance and office supplies, which tend to remain the same regardless of production output.

Variable costs of a construction company Box For Living is divided into two categories as follow.

Material Cost

- This is depend on the design for the type of material
- Square footage of the room
- The amount of good
- Distance and delivery

Labour

- Time agreement with the client
- Square footage of the room
- Numbers of worker per project

Equipment Rental

- Depend on the time agreement with supplier
- Depend on the amount and type of work equipment leased

This cost will be much affected by the economic situation in the country, such as the increase in currency rates and fuel prices and will change significantly to the labour cost and material.

Here the material price and labour cost have to be updated for project agreement and budgeting accuracy.

4. Implementation Plan

The implementation plan will be divided into the *Business Model Canvas*, *Time Schedule and Long Term Plan* of Box For Living activities, and also company's *Resource Plan*.

The important proposed solution for Box For Living to improve company's growth.

(a) Improvement in CR in creating the successful long-term growth are :

- Co-creation and Communities through www.boxforliving.net, architecture and 3d community website : (a) Testimonial, comments, and contact form. (b) Always update the design concept for every project, prototype design concept.
- Build the mass communication programs consisting advertising, sales promotion, events, and public relations. (a) First join architectural events and community in Indonesia : IAI (*Ikatan Arsitek Indonesia*). (b) Join competitions : *Sayembara IAI, Jakarta Architecture Triennale, Theme : Sayembara Visioning Jakarta*.
- Plan the Viral Marketing, with events, corroboration with youth community and environmentally friendly community, and seminar about futuristic design especially container modification prototype.

(b) Company's Legality for Box For Living, design permit from IAI, such as : *SIBP (Surat Izin Bekerja Perencana)* and *SKA (Surat Keahlian Arsitek)*.

(c) R & D improvement, such as :

- Investment in 3D and Animation computer for expert 3D Design.
- Build creativity knowledge culture in company.
- Research and design plan for prototype of container modification, make it unique, high tech and can not easily be imitated.

Box For Living determined the importance of each project, and also duration for those projects by group discussion, they are as leader in company, there are Short term – Less than 1 year, Intermediate – 1 to 3 years, Long Term Over 3 Years.

Table 15. SFAS Plan for Box For Living

SFAS Plan									
Strategic Factors		Short	Intermediate	Long					Comments
					2013	2014	2015	2016	
Strengths	Variety of Product and Service	X							Corroborate the product variety concept1
	R&D		X						Continually, start Sept 2013
	Creative team design		X						Restructure the organization system. Hire Drafter and Designer
Weaknesses	Brand Direction	X							Corroborate the brand
	Company Legality		X						Sign for PT. (Peneraan Terbatas), DPM (Surat izin Perencana Bangunan), SKA (Surat Keshlon Arsitektur)
Opportunities	Higher construction companies every year		X						Redesign the Marketing Plan
	The first in Indonesia			X					
Threats	the competitor of standard container modification		X						
	Another architecture firm			X					
Scoring									

Table 16. Time Schedule Box For Living, 2013 – 2014

Time Schedule													
Updated													
Date: 1st Feb/ 2013													
By: Arelisa F. Gunawan													
Position: Director													
No	Activities	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Production													
1	Price survey for material												
2	Research for material												
3	Update info from supplier												
4	Estimate Material for Prototype												
5	Build a Prototype												
6	Container for events												
Project													
7	Project Control or Survey												
8	Equipment Survey												
Design													
9	Sharing knowledge												
10	R&D for container building system for Prototype												
11	Prototype Design												
12	Design Project Controller												
13	R&D for concept design												
Marketing													
14	Brochure												
15	Poster												
16	Home Card												
17	Event Planning												
18	Box For Living Events												
19	Web Redesign												
20	Make a new web												
21	Launch a new web												
22	Control community web such as FB, Blog, event, etc												
23	Direct Promotion & Sales												
Financing													
24	Financing Plan												
25	Marketing												
26	Computer 3D for Design												
27	Project Equipment Controlling												

From Table 16 The production (yellow area) related to client's project planning system, project scheduling and the company's big project plan (prototype design). Project (red area) related to project controlling, on site or in workshop. Design (green area) related to research and development in design concept and technology, and can improve marketing activities with unique product to be exhibited. Due to confidentiality, the company's R & D activities data in detail is unable to be disclosed. Marketing activities (purple area) related to promotion activities, B to C, website maintenance, and schedule plan activities in direct promotion B to B. Financing (blue area) related to company's budget plan in a year.

Table 17. Box For Living Budgeting Plan

Box For Living Budget Plan Estimation (Start on Oct. 2013)				
Activities or Equipment	Qty	Units	Price per qty (Rp)	Total Price
1 Computer for architectural 3D design and animation	2	unit	17,000,000	34,000,000
2 Project Equipment for 6 months (set aside on site working device)	6	month	3,000,000	18,000,000
Marketing for 6 months				
3 Portfolio including product quotation (\$ promotion /month)	5	kit	500,000	2,500,000
- Meeting and accomodation (not include outside Jakarta)	5	time	200,000	1,000,000
Poster Print Update	1	time	200,000	200,000
4 - Permit installation (once per month)	6	time	70,000	420,000
5 Name card (2 person)	1	time	200,000	200,000
Website Maintenance (once per month)	6	time	50,000	300,000
- Updating Website	1	time	500,000	500,000
Exhibition (This event usually 3 days in a row, est. Rp.1,000,000/day)	1	time	3,000,000	3,000,000
7 - Standing Banner	2	piece	1,000,000	2,000,000
- Accomodation	3	day	500,000	1,500,000
- Other cost	3	day	300,000	900,000
[AI] (Katan Arsitek Indonesia)				
[AI] Member per year (This is important SIBP and SKA). This is for once a year.	2	person	500,000	1,000,000
9 [AI] Events and Seminar per year	3	time	1,500,000	4,500,000
TOTAL BUDGET (Oct. 2013 - Mar. 2014)				70,020,000

Oct.2013 – Mar 2014

For now the Box For Living's total budgeting plan for October 2013 until March 2014 is Rp.70.020.000. The budget is higher for this term because the investment in equipment for 3D and animation computer to support the expert activities in building design and modeling.



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